

**COLORADO REPUBLICANS**

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

July 23, 1999

Mr. Mark Shonkwiler, Esq.
Federal Election Commission
Washington, DC 20463

Dear Mr. Shonkwiler:

Per your request, I am enclosing a narrative which outlines the events leading up to our late filing of our 1998 post election report. If you have any further questions please do not hesitate to contact me at 303-926-0300 or my Executive Director, Sean Murphy, at 303-758-3333.

Sincerely:

Bob Beauprez
Chairman, Colorado Republicans

Introduction

On July 15, 1999, the Colorado Republican Party received a notice from the Federal Election Commission indicating that our Federal Campaign Committee had violated Federal Election law and that it would be required to pay a fine

It is our contention that while the law was broken, it was done on the watch of the previous regime and that the current administration wasn't even aware of the violation until an internal audit uncovered the facts. We believe we did everything within our power to correct the situation as soon as we were made aware of the violation.

Narrative

In March of 1997 the Colorado Republican Committee (CRC) elected a new Chairman who succeeded a Chair who had served for 6 years. This new Chairman (Steve Curtis) immediately proved to be a lightning rod for criticism as well as a very poor manager of people and resources.

The controversial Chair proceeded to alienate and anger many members and elected officials within the Republican Party and by fall of 1998 had so damaged the party that the GOP elected officials began to openly recruit someone to run against him.

The Colorado Republican congressional delegation, the leadership of the Colorado State Legislature, and the newly elected Republican Governor all asked Bob Beauprez to consider running for the State Chairmanship of the party. In January Beauprez agreed and became a candidate for State GOP Chairman.

Because of his background in banking and business, coupled with his promise to get the financial and administrative books in order, Beauprez was elected by acclamation on March 6, 1999.

The condition of the party was dire when Beauprez took over. Many important records and files had been purged from the office and only one employee from the Curtis administration remained. That particular individual had been responsible for filing FEC reports and other legal documents. For reasons known only to him, he never indicated that any reports had failed to be filed.

Former Chairman Curtis had publicly stated that the party was \$50,000 in debt. Upon taking office, Chairman Beauprez discovered the real figure to be in excess of \$100,000. This financial disaster was clearly the number one priority for the new administration.

During the campaign Beauprez had promised to appoint an independent audit committee to look into allegations of fiscal mismanagement. After he was elected, Beauprez appointed a committee comprised of Chairman Mr. Scott Shires, an independent financial advisor who has served as a campaign treasurer for several state campaigns; Mr. Joseph Chavez, a CPA and Attorney at Law who has also served as Treasurer for several state

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campaigns; and Mr. Kent Fairweather, a CPA with audit experience who has not been involved in partisan politics in any fashion.

Chairman Beauprez instructed the committee to look into each and every aspect of the financial operations of the state party including, but not limited to, bank records, internal accounting procedures and legal filing requirements with the Secretary of State's office, the Internal revenue Service and the Federal Election Commission.

The audit committee commenced their work on March 15, 1999. Approximately two weeks later Chairman Scott Shires informed Chairman Beauprez that he was unable to locate a copy of the post general election report to the Federal Election Commission. After further searching, the audit committee came to the realization that the report had never been filed. They immediately informed Chairman Beauprez of the violation and he instructed the committee and the staff of the state party to get the report filed immediately.

At the advice of the audit committee, the CRC also provided news clips, which indicated the turmoil that the state party had been undergoing for the past two years.

On July 15, 1999, the CRC received a letter from the FEC indicating that it had been found to be in violation of certain provisions of the Federal Election Campaign Act of 1971 and would be required to pay a civil penalty

While we acknowledge the violation, we would also like to ask for recognition and consideration of the fact that the current administration discovered the violation and moved immediately to correct it. Between the time Chairman Beauprez was elected (March 6, 1999) and the time the report was filed (April 7, 1999) the CRC received no correspondence from the FEC indicating we were in violation of the Act.

We further acknowledge A.O. 1995-10 (Committee's obligation to file reports is not affected by change in personnel and difficulty in gaining access to records).